

# INDIANA: EXPORTS, JOBS, AND FOREIGN INVESTMENT

## **Exports Mean Jobs for Indiana's Workers**

- Roughly one-fifth (20.1 percent) of all manufacturing workers in Indiana depend on exports for their jobs. This is slightly below the national-level share of manufacturing workers supported by exports (20.5 percent). (2001 data latest available)
- Export-supported jobs account for 9.2 percent of Indiana's total private-sector employment (roughly one of every 11 jobs). This is well above the national average of 6.5 percent (one out of every 15 jobs). (2001 data latest available).

*Note: Export-related jobs estimates include only jobs supported by exports of manufactured goods; jobs generated by exports of services are excluded. Consequently, the numbers understate the total employment impact of exports on the U.S. economy.*

*Source: State Export-Related Employment Project, International Trade Administration & Census Bureau.*

## **Exports Help Sustain Thousands of Indiana Firms—Small As Well As Large**

- A total of 6,626 companies exported goods from Indiana locations in 2001. Of those, 82 percent were small and medium-sized enterprises with fewer than 500 employees.
- Small and medium-sized firms generated nearly one-sixth (16.2 percent) of Indiana's total exports of merchandise in 2001.

*Source: Exporter Data Base, International Trade Administration & Census Bureau*

## **Economic Globalization: A Two-Way Street for Indiana**

- In 2002, majority-owned affiliates of foreign companies employed 137,400 workers in Indiana.
- Two-thirds of these foreign-investment-supported jobs (66 percent, or 91,200 workers) were in the manufacturing sector in 2002. This was the largest share among the 50 states.
- Majority-owned affiliates of foreign firms accounted for 15.7 percent—almost one-sixth—of total manufacturing employment in Indiana in 2001.
- Foreign investment in Indiana was responsible for 5.4 percent of the state's total private-industry employment in 2001.
- Major sources of Indiana's foreign-investment-supported jobs in 2002 were Japan, the United Kingdom, Germany, and France.

*Note: All figures exclude employment in banks affiliated with foreign companies.*

*Source: Bureau of Economic Analysis.*

## **Indiana Depends on World Markets**

- Indiana's export shipments of merchandise in 2003 totaled \$16.4 billion, the 12<sup>th</sup> largest figure among the states.

- Indiana increased its merchandise exports 27 percent (\$1.5 billion) from 1999 to 2003. This was the fourth biggest dollar increase over the five-year period among the states and the 11<sup>th</sup> largest percentage gain.
- Indiana exported globally to 180 foreign destinations in 2003. The state's largest export market, by far, is our NAFTA trading partner Canada. Indiana exported \$7.5 billion worth of merchandise to Canada in 2003, almost half (45 percent) of the state total. Canada was followed by fellow NAFTA nation Mexico (2003 exports of \$2.1 billion), the United Kingdom (\$1.2 billion), France (\$922 million), and Japan (\$630 million). Other top markets included Germany, the Netherlands, Brazil, Australia, and China.
- Indiana's biggest growth market, in dollar terms, has been Mexico. From 1999 to 2003, export shipments to Mexico increased from \$735 million to \$2.1 billion, an increase of \$1.4 billion. Other countries to which Indiana recorded large increases in merchandise exports over the 1999-2003 period were France (exports up \$509 million), Canada (up \$456 million), the United Kingdom (up \$391 million), and Germany (up \$170 million).
- Of Indiana's top 30 major markets, exports of merchandise to Kuwait grew the fastest over the 1999-2003 period. Indiana's exports of goods to Kuwait increased from \$4.8 million to \$37.3 million, an increase of 683 percent. Indiana also more than doubled its merchandise exports to Hungary (exports up 305 percent), Mexico (up 187 percent), France (up 123 percent), Spain (up 118 percent), and Israel (up 116 percent).
- Manufactured goods make up 98 percent of Indiana's exports. Among manufactured products, the state's leading export category is transportation equipment, which accounted for \$5.3 billion—nearly one-third (32 percent)—of Indiana's total merchandise exports in 2003. Other top manufactured exports are chemical manufactures (2003 exports of \$3.0 billion), machinery manufactures (\$2.4 billion), and computers and electronic products (\$1.6 billion).
- In dollar terms, Indiana's leading manufactured export growth category is chemical manufactures. Export shipments of these products during the 1999-2003 period grew from \$1.9 billion to \$3.0 billion—an increase of \$1.1 billion. Other manufactured export categories that registered large dollar growth from 1999 to 2003 were transportation equipment (up \$876 million), machinery manufactures (up \$728 million), and computers and electronic products (up \$415 million).
- In percentage terms, Indiana's fastest-growing manufactured export category is non-apparel textile products, which grew 207 percent from \$9.1 million in 1999 to \$28.0 million in 2003. Other fast-growing manufactured exports during the 1999-2003 period were chemical manufactures (up 55 percent), machinery manufactures (up 43 percent) and fabric mill products (up 36 percent).

*Source: Origin of Movement State Export Series, Bureau of the Census.*

*Caution: The Origin of Movement series allocates exports to states based on transportation origin, i.e., the state from which goods began their journey to the port (or other point of exit) from the United States. The transportation origin of exports is not always the same as the location where the goods were produced. Consequently, conclusions about "export production" in a state should not be made solely on the basis of the Origin of Movement state export figures.*

Prepared by the Office of Trade and Industry Information, International Trade Administration, U.S. Department of Commerce.